

AMENDED IN ASSEMBLY APRIL 28, 2016

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2472

Introduced by Assembly Member Linder

February 19, 2016

An act to add and repeal Section 17059.50 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2472, as amended, Linder. Personal income taxes: credits: disabled veterans: service animals.

The Personal Income Tax Law allows various credits against the taxes imposed by that law.

This bill, for taxable years beginning on or after January 1, 2017, and before January 1, 2022, would allow a credit under the Personal Income Tax Law in an amount equal to 50% of the amounts paid or incurred during the taxable year by a qualified disabled veteran for the ownership and maintenance of a qualified animal, not to exceed \$2,000 for a taxable year.

~~This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.~~

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) California is home to a large population of war veterans, comprised of service men and women who have honorably served in the line of duty.

(b) It is not uncommon for veterans, after experiencing the horrors of war, to suffer from physical or mental health challenges, or both.

(c) Common conditions war veterans are afflicted with include post-traumatic stress disorder, traumatic brain injury, and heightened anxiety.

(d) Trained animals are often used to assist disabled veterans in their rehabilitation. An animal can greatly contribute to the veteran's sense of normalcy by providing support and companionship.

(e) The purpose of Section 17059.50 of the Revenue and Taxation Code, as proposed to be added by this act, is to create an income tax credit for disabled veterans, as determined by a disability rating promulgated by the United States Department of Veterans Affairs, who incur costs associated with ownership of a service dog.

SEC. 2. Section 17059.50 is added to the Revenue and Taxation Code, to read:

17059.50. (a) For each taxable year beginning on or after January 1, 2017, and before January 1, 2022, there shall be allowed a credit against the "net tax," as defined by Section 17039, an amount equal to 50 percent of the qualified costs of a qualified disabled veteran, not to exceed two thousand dollars (\$2,000) for a taxable year.

(b) For the purposes of this section, the following definitions shall apply:

(1) "Qualified animal" means a guide dog, signal dog, or service dog as defined in subparagraph (C) of paragraph (6) of subdivision (b) of Section 54.1 of the Civil Code.

(2) "Qualified costs" mean the amounts paid or incurred during the taxable year by a qualified disabled veteran for the ownership and maintenance of a qualified animal, ~~including, but not limited to, the amount~~ *animal that is limited to the amounts paid as local*

1 fees for animal licenses; veterinary care and medical-related
2 expenses, such as vaccinations, annual check-ups, and drug
3 prescriptions; pet insurance coverage expenses; expenses for
4 speciality equipment, such as vests, leads, and harnesses; grooming
5 expenses; and food expenses.

6 (3) “Qualified disabled veteran” means an individual who meets
7 both of the following conditions:

8 (A) Has served on active duty with the Armed Forces of the
9 United States and received an honorable discharge for all periods
10 of active service.

11 (B) Has a service-connected disability *rating of at least 30*
12 *percent*, as determined ~~by a disability rating promulgated~~ by the
13 United States Department of Veterans ~~Affairs~~ *Affairs*, and is
14 assisted with ~~that disability~~ *any disability associated with that*
15 *rating* by a qualified animal.

16 (c) *No other credit or deduction shall be allowed under this*
17 *part with respect to the amounts paid or incurred by a qualified*
18 *disabled veteran for a qualified animal that are taken into account*
19 *in computing the credit allowed under this section.*

20 ~~(e)~~

21 (d) In the case where the credit allowed by this section exceeds
22 the “net tax” the excess may be carried over to reduce the “net
23 tax,” in the following year, and succeeding *six* years if necessary,
24 until the credit is exhausted.

25 ~~(d)~~

26 (e) Section 41 does not apply to the credit allowed by this
27 section.

28 ~~(e)~~

29 (f) This section shall remain in effect only until December 1,
30 2022, and as of that date is repealed.

31 SEC. 3. This act provides for a tax levy within the meaning of
32 Article IV of the Constitution and shall go into immediate effect.